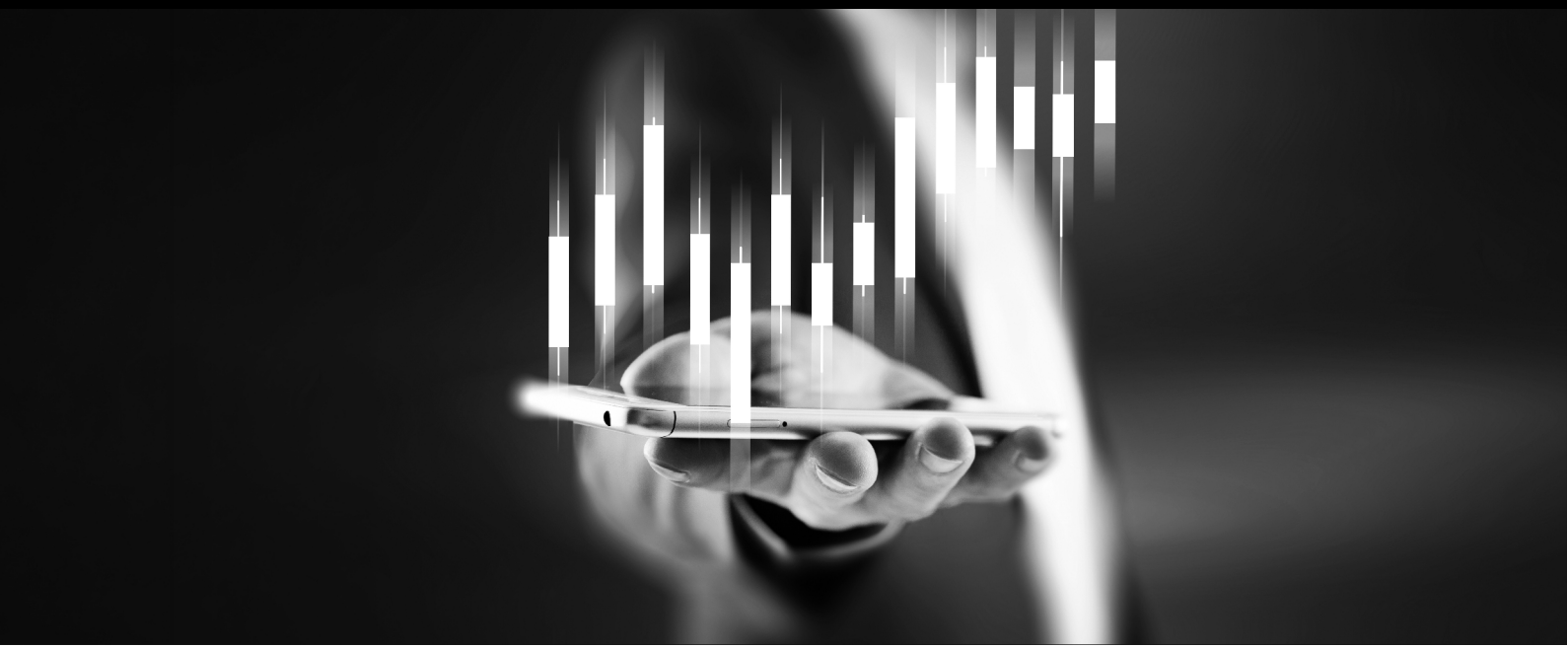
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# ICASA progresses inquiry into the licensing of electronic communications infrastructure

19 November 2026 *5 min read*

*by Wendy Rosenberg, Director and Head of Digital Media & Electronic Communications*

ICASA is conducting the next leg of its inquiry into individual electronic communications network service licences.

Its preliminary view is that operators should be able to apply directly to ICASA for such a licence, rather than having to acquire an existing licence (or control of an existing licensee) as is currently the case.

ICASA has invited comments on the Discussion Document, including on its preliminary view that a direct licensing mechanism is the most efficient and effective way to address the challenges in the secondary market and promote competition through seamless entry into the market, coupled with a combination of policy and regulatory measures such as assignment of spectrum, infrastructure sharing, wholesale access obligations, efficient deployment processes and other measures to promote competition.

Anyone can comment on ICASA's Discussion Document on the Inquiry into Individual Electronic Communications Network Services Licences, by 7 January 2027.

In November 2025, the Independent Communications Authority of South Africa (ICASA) commenced an inquiry into new individual electronic communications network service (IECNS) licences.

There are the licences that are required in order to provide electronic communications networks of provincial or national scope for commercial purposes and which have significant impact on socio-economic development. These kinds of licences are held by the major telcos and internet service providers.

New entrants may only apply for an IECNS licence in response to an invitation to apply published by ICASA – but ICASA may only accept and consider applications for IECNS licences in terms of a policy direction issued by the Minister of Communications and Digital Development.

In the absence of such a policy direction and invitation to apply, new entrants' only possible route to market is to acquire an existing IECNS licence, or to acquire control of an existing IECNS licensee. But, to do so, ICASA's prior approval is required, which is a long and time-consuming process.

In August 2025 the Minister issued a policy direction directing ICASA to conduct an inquiry to consider whether there is a demand and need to invite applications for new IECNS licences, whether that would promote the objectives of the Electronic Communications Act and contribute to universal service and competition, and whether the system of transferring existing licences has been effective.

ICASA commenced that inquiry in November 2025, and invite interested parties to respond to a questionnaire. 32 parties reportedly responded to the questionnaire, including existing telcos and prospective satellite operators.

On 30 October 2026, ICASA published its Discussion Document in the inquiry into IECNS licences. It summarised stakeholders' responses to the questionnaire, and invited input on various issues. Amongst other things, ICASA seeks to assess whether the current licensing framework unnecessarily restricts market entry, and whether the availability of new IECNS licences is likely to improve competition and advance the objectives of the Electronic Communications Act.

Based on the responses it received to the questionnaire, ICASA has indicated that:

- There is broad support for increased competition and investment in electronic communications infrastructure, with most stakeholders saying that the potential benefits of new IECNS licences would outweigh any potential negative consequences.
- Incumbent terrestrial network operators questioned the necessity of new IECNS licences and whether they would generate meaningful incremental benefits, compared to other regulatory interventions, while satellite operators argued that new licences would promote competition and innovation, complement existing offerings, increase consumer choice, and bridge the digital divide.
- Prospective entrants expressed an intention to participate in various electronic communications markets through the deployment of new and emerging technologies. In fact, ICASA has received numerous inquiries about the requirements for obtaining an IECNS licence directly from the regulator.
- In practice, access to the market requires operators to acquire existing licences through a transfer, acquisition or other commercial transaction, which ICASA found may create an artificial scarcity premium which increases entry costs, raises barriers to entry, and may reduce market contestability. One stakeholder reportedly indicated that the cost of acquiring an IECNS and IECS licence pair in the secondary market is over R1 million, excluding the ICASA transfer application fees, which cost nearly R85,000 per individual transfer licence application.
- ICASA's preliminary view is that the current framework permitting the transfer of IECNS licences has not been fully effective and efficient in promoting competition within the sector. ICASA acknowledged that there "might be" administrative inefficiencies in the current licence transfer approval process, which delays entry into the market and disincentivizes investment in the sector. It indicated that it will publish guidelines on the licence transfer approval process to ensure transparency and regulatory certainty.
- ICASA's preliminary view is that:
    - A direct licensing mechanism where access into the market is no longer dependent on incumbent licensees is the most efficient and effective way to address the challenges in the secondary market and promote competition through seamless entry into the market.
    - In addition, effective and sustainable competition is more likely to arise through a combination of regulatory measures such as assignment of spectrum, infrastructure sharing, wholesale access obligations, efficient deployment processes and others.

Interested parties are invited to comment on the Discussion Document, including whether they agree with ICASA's preliminary views. Anyone can make submissions on the Discussion Document by 7 January 2027.

For further information, contact us (wrosenberg@werksmans.com) or contact ICASA on iecns-inquiry@icasa.org.za.



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